## Investment Houses Believe He Will Consider Refinancing, but Government Needs Are Paramount-Gossip of the Street

· MANY investment houses are of the opinion that the next big problem which President Wilson will tackle will be some action looking toward the refinancing of public utilities.

It must be acknowledged, however, that those who have volunteered such an opinion are more or less interested in public utility corporations. They seem justified in claiming that many of these utilities are simply extensions or auxiliaries to the railroads.

A number of these concerns need money for much-needed extensions and improvements, and many of them have large issues, both of bonds and short-term notes, coming due during the present year with as little prospect of successful new financing as had the railroads.

Reports from a majority of these companies, especially those supplying power, light, heat and transportation, show ever-increasing demands on their present insufficient plants. A large number of these demands comes from concerns engaged in the manufacture of munitions or other war material which comes under the classification of essentials.

It is believed that the possibility of another Liberty Loan not later than March precludes any possibility of extensive new financing by these concerns, and that the only remedy for the situation is Government assistance where it can be shown that the continued operation of the concern is absolutely necessary to the successful prosecution of the war.

### Solution of Railroad Problem a Master Stroke

There were two men who could not be found in the financial districts in Philadelphia on Monday. One was the man who believed that the Government would lose money through the guarantee to the railroads of net carnings on the basis of a three-year average, and the other was the man who believed that this guarantee is going to strike a "snag" in

The railroad situation, which has acted as a wet blanket over the whole security market for so many months, with threats of receiverships, has been solved, and every financial concern and institution in the country enters on the new year with a song, where recently the prevailing note was despair.

During the year 1917 the difficulties of the roads had been piling up in every conceivable form. Demands for increased wages, physical deterioration, increasing cost of material, shortage of labor, and last, but by no means least, the utter impossibility of new financing with an everincreasing mountain of maturities piling up which could only be partly relieved by short-term' securities offered at ruinous rates.

Government intervention came at the opportune moment. Every railroad official every official of every bank and trust company that had loaned liberally on railroad securities as collateral, every banking and investment house that dealt in railroad securities (and there are few who did not), and every investor who owned such securities, must have felt as though relieved of a heavy burden when at one stroke the President issued his proclamation taking over the railroads and guaranteeing their net earnings on a liberal basis by the Government.

Every industry in the country must benefit from this action, for transportation is the life blood of all of our industries.

With the elimination of useless and expensive parallel passenger service which has never been other than an expense, as well as an interference with the rapid movement of freight, which was sidetracked to make way for de luxe travel, freight will regain its proper place in railroad management. There will be more co-ordination and consolidation of traffic, terminal facilities will be extended, ports which have heretofore been the victims of an unjust railroad discrimination will be used to the limit, and congestion avoided.

There are few financiers in this city today who ever expect to see the railroads return to status quo, no matter what the issue of the war. There are many who consider the action of the President in this connection as a master stroke, ranking only in prime importance with the

It is no figure of speech to say that, by his action the President has made the railroads safe for the investor, for next to Government bonds there is no safer investment in the country today than these railroad bonds and other railroad securities.

# Conjecture on Next Liberty Loan Interest

There is a difference of opinion as to the rate of interest which the next Liberty Loan will carry. Some financiers maintain that it will not exceed 4 per cent, and in support of their contention they quote the speech of Secretary McAdoo when addressing the Union League in this city recently. Others maintain that in order to float the next loan successfully it must carry 41/2 per cent interest, and in support of their contention they say that the country banks are carrying more than \$2,000,-600,000 of the last loan and are seeking relief from the Federal Reserve banks. There is no way of substantiating this assertion at present, and the facts may or may not be exaggerated.

# World War Has Corrected False Views

If this world-war has demonstrated anything more than another it is our underestimation of the pliability of financial and economic factors. upon which we relied to base our conclusions led us to conclude that Germany, which was always dependent on other nations for large supplies of food, must naturally have been exhausted long since and that the food cargoes destined for Great Britain and sunk by submarines would have reduced that country to starvation long ago.

Germany still holds out, although the best authorities place her limit at the end of 1918, while the same authorities claim that Great Britain is yet to attain during the present year her greatest man-power. and that from an economic standpoint she can hold out almost in-

As for the United States, there seems to be no divided opinion The virtually unlimited producing capacity of this country is considered the strongest element in its unique economic position among the nations at war. Everything necessary to sustain our own lives as well as those of our allies can be produced here in abundance. Our financial strength, based upon an accumulation of gold never equaled in the his tory of any other nation, coupled with the elastic currency and credit system of the Federal Reserve banks, gives us the supreme control of the world's finances both now and for a long time in the future and has trans formed us from a debtor nation in 1912 to a credit nation in 1916,

The supreme business of this country is to win the War in 1918 and the greatest drawback to that attainment will be over-confidence in our

# Optimistic Sentiment Rules Bond Market

There is a distinct note of optimism in the bond houses when speaking of the prospects for the coming year. A large number of the large concerns are in the market for high-grade bond salesmen to fill the ranks which were sadly depleted by their best men volunteering for service, This is in sharp contrast with the conditions in the bond business for the year just closed, which is universally acknowledged as the year that

will go down in history as the worst bond year ever recorded. A well-known house that makes a specialty of railroad securities has compiled a statistical chart which shows that the average price of ten first-class railroad bonds which are legal investments for savings banks, declined from 89 at the beginning of 1917 to 77 in the latter part of the year, and the average price of the bonds of ten second-class roads dropped from 95 to 821/2 in the same period.

But the year starts out with every indication of being an unusually osperous one for the investment houses. There is a different feeling in e air. Every one is optimistic. Investment bankers have taken courage as a result of the action of the Government. They are already complaining of smaller supplies than at any time, especially at the close of the year, and it is generally believed that a number of new issues will shortly appear at attractive figures for investors.

# Advantages of Rediscount System

Superintendent Skinner, of the New York State Banking Department, in his annual report just submitted to the Legislature of that State, calls special attention of untra-conservative bankers to the advantages of the rediscount features of the Federal Reserve banks as follows: "Our past experience has fully demonstrated that the currency of the country should be so clastic and adjusted to current needs, and the old notion that a rediscount by a financial institution is necessarily a sign of weakness, is inconsistent with the theory upon which the present currency of the country is based. The combination of gold and of commercial paper as a basis for our currency is believed to render it both safe and adjustable, and the experience of the Federal Reserve Bank of New York in connection with the placing of these loans would seem to dem-

"If currency be considered simply as an instrument, a means of facilitating business, it is evident that an adequate supply of it is necessary to carry on the business and commerce of the country when such great demands age being made upon the financial system to meet the of the national Government. Unices and credit to persons engaged ant privilege, contraction and a denial of credit to persons engaged needs of the national Government. Unless advantage is taken of the re-

## PHILADELPHIA . MARKETS

PROVISIONS

### REFINED SUGARS

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## DAIRY PRODUCTS

## POULTRY

### FRESH FRUITS

### VEGETABLES

# JUST HAD TO SHOOT AT THOSE AUSTRIANS

Congressman Tinkham Tells of Firing at Foe in Italy

AN ATLANTIC PORT, Jan. 2.—Con-band, of Annie Currer, Coorge Holden Tinkham, of A. M., Harmon Chapter, So. 46, John County, No. 46, John County, No. 46, John Co. Massachusetts, who is said to have fired the first shot sent against Austria by in American, on Decomber 11, while on a visit to the Italian front, has arrived here on a French steamship. Mr. Tinkham said be fired the shot at the toytation of a colonel commanding a battery lengaged in stemming the advance of the shot, he was convinced the results of the shot, he was convinced the band of Falomena Bongio, 1315 100. NACO, 1015 1 gressman George Holden Tinkham, of Massachusetts, who is said to have fired results of the shot, he was convinced the Teutonic forces on the lower Plave. He shell, which was from a 149-millimeter

"It just suppened that I was on the firing line at the opportune moment," he said. "I did not go there with that

GALK—SENDERLING — Miss ANNA SEN DERLING, of 8570 Jamper at a and Mr. ED WARD II, GALE, Chief Turket Captain of the U.S. S. Indiana, were united in mar-riane, Dec. 24, 1917, by Rev. J. Leneinger.

DONORIUS. The 30 MARY, wife of John school thee Smith. Relatives and friends the followed. There is 30 s. m. 1706 translat ave. Science requirements Cadral 10 s. m. Int Holy Cross Con. Automatical "It just suppened that I was on the firing line at the opportune moment," be said. "I did not go there with that particular idea in mind, but I could not resist the temptation. I knew that by doing so I laid myself liable to drastic treatment should I be captured by the Austrians, but I was willing to take the characteristic of the could not resist the temptation of the could not resist the temptation. I knew that by doing so I laid myself liable to drastic by the Austrians, but I was willing to take the characteristic of the could not come out unscattled from his visit to Italy. He rescattled from his visit to Italy. The research of the following the action of the william and Mary Ans MeDows and Joseph Errickson, aged 53. Lance I begin for the property of the following to attempt for a literal for the property of the following to a literal for the property of the following to a literal for the property of the following to a literal for the property of the following the following to a literal for the property of the following to a literal for the property of the following the follo

meed 68. Services Pennhurst. Narherth Station. Fri. 3 p. m. Int. private. Please omnt flowers.

HORNER.—Dec. 20. FRANKLIN HOR. NER. son of late Ass. P. and Hannah A. Horner, aged 60. Relatives and friends invited to funeral services. Teurs. 130 p. m. NICKLAUS. Jan. 1. CATHARINE. Midow of Jacob Nicklaus. ared 85. Relatives and friends invited to funeral services. N. J. Int. Colestown tem. Autos will meet treatment freiless leathing. Please of the Market No. 1. Int. Colestown tem. Autos will meet treatment freiless leathing. Please of the Market No. 1. Int. Colestown tem. Autos will meet treatment freiless leathing. Please of the Market No. 1. Int. Colestown tem. Autos will meet the Market No. 1. Int. Research treatment freiless leathing. Please of the Market No. 1. Int. State of the Marke



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